BRANSTETTER, STRANCH & JENNINGS

ATTORNEYS AT LAW 227 SECOND AVENUE NORTH FOURTH FLOOR NASHVILLE, TENNESSEE 37201-1631

2005 NOV 22 AM 11: 26

TELEPHONE

TR.A. DOCKET ROOM

(615) 254-8801 FACSIMILE (615) 250-3937

November 22, 2005

JOE P LENISKI, JR. MARK A MAYHEW J GERARD STRANCH, IV

CECIL D BRANSTETTER, SR.

C. DEWEY BRANSTETTER, IR.

RANDALL C. FERGUSON

R. JAN JENNINGS *

DONALD L. SCHOLES JAMES G STRANCH, III JANE B STRANCH

* ALSO ADMITTED IN GA

Via Hand-Delivery To:

Chairman Ron Jones c/o Sharla Dillon, Docket Manager TENNESSEE REGULATORY AUTHORITY 460 James Robertson Parkway Nashville, Tennesse 37243-0505

Re:

Application of Sprint Nextel Corporation for Approval of the Transfer of Control of United Telephone-Southeast, Inc., Sprint Long Distance, Inc. and Sprint Payphone Services, Inc. from Sprint Nextel Corporation to LTD Holding

Company,

Docket No. 05-00240

Dear Chairman Jones:

Enclosed please find the original and one copy of the First Set of Discovery Requests propounded by Communications Workers of America, AFL-CIO (CWA) to Sprint Nextel Corporation in the above-referenced docket. I would appreciate your stamping as filed and returning to me the enclosed copy.

Should you have any questions with respect to this filing, please do not hesitate to contact me.

Sincerely yours,

DONALD L. SCHOLES

Enclosure

c:

Edward Phillips Tony Daley

{002333\05441\00055082 DOC / Ver 1}

BEFORE THE TENNESSEE REGULATORY AUTHORITY NASHVILLE, TENNESSEE

IN RE:

APPLICATION OF SPRINT NEXTEL CORPORATION FOR APPROVAL OF THE TRANSFER OF CONTROL OF UNITED TELEPHONE-SOUTHEAST, INC., SPRINT LONG DISTANCE, INC. AND SPRINT PAYPHONE SERVICES, INC. FROM SPRINT NEXTEL CORPORATION TO LTD HOLDING COMPANY

DOCKET NO. 05-00240

COMMUNICATIONS WORKERS OF AMERICA, AFL-CIO'S FIRST SET OF DISCOVERY REQUESTS TO SPRINT NEXTEL CORPORATION

Pursuant to TRA Rule 1220-1-2-.11, Communications Workers of America, AFL-CIO (CWA) submits these discovery requests to Sprint Nextel Corporation (Sprint Nextel). CWA requests that Sprint Nextel provide answers to these discovery requests to its counsel, Donald L. Scholes, at the offices of Branstetter, Stranch & Jennings, 227 Second Avenue North, Fourth Floor, Nashville, Tennessee, 37201-1631.

- (a) If any response required by way of answer to these requests is considered to contain confidential or protected information, please furnish this information subject to the protective agreement executed by the parties in this docket.
- (b) If any response required by way of answer to these requests is withheld under a claim of privilege, please identify the privilege asserted and describe the basis for such assertion.
- (c) These requests are to be answered with reference to all information in your possession, custody or control or reasonably available to you.
- (d) If any request cannot be responded to in full, answer to the extent possible and specify the reason for your inability to respond fully. If you object to any part of a request,

answer all parts of the request to which you do not object, and as to each part to which you do object, separately set forth the specific basis for the objection.

(e) These requires supplemental responses consistent with the provisions of the Tennessee Rules of Civil Procedure.

DEFINITIONS

- (a) "You" and "your" means Sprint Nextel and Sprint and any affiliated company providing telecommunications service in the State of Tennessee.
- (b) "And" and "or" shall be construed both conjunctively and disjunctively, and each shall include the other whenever such construction will serve to bring within the scope of these Interrogatories information that would not otherwise be brought within their scope.
- (c) "Identification" or "identify" when used in reference to: (i) a natural individual, requires you to state his or her full name and residential and business address; (ii) a corporation, requires you to state its full corporate name and any names under which it does business, the state of incorporation, and the address of its principal place of business; (iii) a document, requires you to state the number of pages and the nature of the document (e.g., a letter or memorandum), its title, its date, the name or names of its authors and recipients, and its present location or custodian; (iv) a communication, requires you, if any part of the communication was written, to identify the document or documents which refer to or evidence the communication, and to the extent that the communication was not written, to identify the persons participating in the communication and to state the date, manner, place, and substance of the communication.

DISCOVERY REQUESTS

1. Provide a copy of the SEC filing pertaining to the Sprint/LTD Holding Company corporate restructuring. If it is not now currently available, provide it when it is available.

RESP	RESPONSE:	
	Provide copies of all credit rating reports for LTD Holding Company, Sprint, and issued since January 1, 2005 to date. ONSE:	
	Provide all securities analyst reports for LTD Holding Company, Sprint, and since January 1, 2005 to date. ONSE:	
4. (d), (5) and (9 RESP	With regard to Mr. Collins Attachment KPC-2 page 4, provide items (3), (4) (a)-). ONSE:	

5. Exhibit No. KWD-6 provides a pro forma value for the 2004 LTD Holding dividend payment. Please identify pro forma the annual dividend payment for LTD Holding (as that entity is defined) for each of the proceeding three years, 2001 – 2003.

RESPONSE:

6. Provide further detail on the LTD Holding Company debt issuances associated with the corporate restructuring transaction. In particular, indicate the expected timing of debt issuances, the term structure of the new debt and method of issuance (e.g., public issuance, private placement, underwritten arrangements), projections of interest rates, payments and maturities for LTD's new debt.

RESPONSE:

7. Other than plans for redeeming existing debt assigned to LTD Holding, provide a detailed explanation concerning LTD Holding's plans for the cash proceeds from the debt issuances shown on Exhibit KWD-7. As part of the response, please indicate how much of the debt proceeds will be used as a cash payment to Sprint (other than for debt redemption), and indicate how this amount was determined.

RESPONSE:

8. Is Mr. Collins aware of any local exchange telephone companies (i.e., companies for whom local exchange telephone service is a major portion of its operations) that has negative shareholder equity? If so, please identify. With respect to each such company, please indicate the company's bond rating (e.g., Moody's, S&P or Fitch).

RESPONSE:

9. Mr. Collins on page 11 asserts that over time the "LTD Holding Company's leverage should decline". Please provide Mr. Collin's estimate of the LTD Holding's decline of its debt outstanding and book common equity each year through 2010.

RESPONSE:

Mr. Dickerson cites to Mr. Collins' testimony and report stating that LTDHolding Company's planned level of debt is consistent with companies that have investment

grade credit ratings. Please indicate where Mr. Collins' testimony or report demonstrates this consistency of LTD Holding Company with investment grade companies.

RESPONSE:

11. Provide the "indicative ratings for LTD Holding Company from the major rating agencies." (Collins, Direct Testimony) Include any documents or correspondence from the credit rating agencies pertaining to the indicative ratings.

RESPONSE:

12. Provide the balance sheets used by Mr. Collins for each of the six comparable telecom companies used in his study.

RESPONSE:

13. Provide the value of shared network, real estate, and information technology assets of LTD and Sprint Nextel.

I	RESPONSE:	
	14. Provide the total number of employees of UTSE at the end of each of the five	
years be	ginning December 31, 2000 and ending December 31, 2004.	
F	RESPONSE:	
	5. Provide the total number of access lines served by UTSE at the end of each of the	
five years beginning December 31, 2000 and ending December 31, 2004.		
R	RESPONSE:	
	6. Provide the total annual maintenance expenses spent by UTSE for local exchange	
services	for each of the five years from the beginning of 2000 to year-end 2004.	
R	ESPONSE:	

17. Provide the total capital construction amount expended by UTSE for local			
exchange services for each of the five years from the beginning of 2000 to year-end 2004.			
RESPONSE:			
18. Provide a copy of UTSE service quality performance standards and UTSE			
performance over the most recent 36 months on each of those standards.			
RESPONSE:			
19. Provide copies of all service quality reports filed with the Tennessee Regulatory			
Authority during the past 36 months.			
RESPONSE:			
20. Provide projected LTD Holding Company income statements, balance sheets, and			
cash flow statements, and projected investments through 2010 or to the extent available.			

RESPONSE:		
21. Provide a list of central offices that are DSL capable and the capable in the service areas of UTSE and the total number of access lines se office. Provide five-year DSL deployment plans in the UTSE service area.	erved by each central	
RESPONSE:		
22. Identify the counties in the UTSE service area.		
RESPONSE:		
23. Provide the annual report of UTSE submitted to the Tenness	ee Regulatory	
Authority and the FCC for the years ending 2000, 2001, 2002, 2003, and 2004 including the		
income statements, balance sheets, and cash flow statements.		
RESPONSE:		

24.	Provide copies of all internal and/or third party valuations of LTD.
RESP	ONSE:
25.	With regard to the pension plan and benefits.
	a. Please explain whether changes in the existing pension plan and benefits are
	anticipated. If yes, please explain in detail.
	RESPONSE:
	b. Please explain what is meant by ensuring that the pension plan will continue
	to be appropriately funded to meet current and future obligations.
	RESPONSE:
	·

	Will the separation of LTD from Sprint Nextel result in any change in the pension benefits payable to any current retirees or employees of United Telephone-Southeast, Inc. ("UTSE")? If so, please describe in detail. SPONSE.
	ase provide a copy of the most recent actuarial report(s) for the pension funds E and other LTD employees.
RESPONS	E:
	ase explain in detail how the pension assets and liabilities to be transferred to ling Company will be determined.
RESPONS	∂ :
	eparate OPEB trust funds or other assets do not exist for the Sprint employees mployees of the new LTD Holding Company, please explain how the OPEB

will be	determ	ined.
	RESPO	ONSE:
	29.	Please explain whether changes in OPEBs are anticipated for LTD Holding
Compa	ny emp	ployees after the separation from Sprint. If yes, please explain in detail.
	RESPO	ONSE:
	30.	Provide employment projections for UTSE for each year ending 2005 through
2010. P	rovide	any explanation for projected growth or decline in employment.
	RESPO	DNSE:
	31.	If the transaction is approved, do LTD and/or UTSE have any plans to change the
levels o	of comp	ensation and/or benefits currently being provided to employees of UTSE? If so,
		e in detail all such changes, and provide all documents that discuss such changes.

trust funds or other assets and liabilities related to OPEBs for the new LTD Holding Company

RESPONSE:

32. Will the existing collective bargaining agreements between UTSE and the Communications Workers of America be affected in any manner by the proposed transaction? If so, please describe in detail all such changes, and provide all documents that discuss such changes.

RESPONSE:

This the 22nd day of November, 2005.

Respectfully submitted,

DONALD L. SCHOLES BPR #10102

Branstetter, Stranch & Jennings

227 Second Avenue North, Fourth Floor

Nashville, TN 37201-1631

615-254-8801

Attorney for Communications Workers of America, AFL-CIO

Certificate of Service

I hereby certify that a true and exact copy of the First Set of Discovery Requests has been served via overnight mail, on this <u>22nd</u> day of November, 2005 to the following:

Edward Phillips Sprint Nextel Corporation 14111 Capital Boulevard Wake Forest, NC 27587-5900

Donald L. Scholes